BY ORDER OF THE SECRETARY OF THE AIR FORCE

AIR FORCE INSTRUCTION 63-124
1 April 1999



AIR FORCE MATERIEL COMMAND
Supplement 1
19 JULY 1999

Acquisition

PERFORMANCE-BASED SERVICE CONTRACTS (PBSC)

COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

NOTICE: This publication, unsupplemented, is available digitally on the SAF/AAD WWW site at: http://afpubs.hq.af.mil. If you lack access, contact your Publishing Distribution Office (PDO).

OPR: SAF/AQCO (Maj Brian Bellacicco) HQ AFMC/PKPC (Mr. Doug Jones) Supersedes AFMAN 64-108, 4 Nov 94 and AFI 63-504, 1 Apr 96 AFMCI64-103, 27 Apr 94 and AFMCFARS Subpart 5337.91, Surveillance Certified by: SAF/AQC (Brig Gen Anderson) HQ AFMC/PKP (Col Avery Sledge, Jr.) Pages: 16

Distribution: F

This instruction implements AFPD 64-1, *The Contracting System* by directing requirements for writing and administrating service contracts within the Air Force. It prescribes and explains how to develop and implement the requirements of the Federal Acquisition Regulation (FAR) Part 37.6 for performing acquisition planning, describing agency needs, acquiring services, implementing performance-based service contracting and quality assurance. This instruction applies to all service contracts over \$100,000 annually unless exempted by the criteria in **Attachment 2**. It is supported by the business tools located in the SAF/AQC Contracting Toolkit, Part 37 at http://www.safaq.hq.af.mil/contracting/ and applies to all major commands (MAJCOM), Direct Reporting Units (DRU), Field Operating Agencies (FOA), and Air Force installations. This instruction applies to the Air Force Reserves and does not apply to the Air National Guard. It may not be supplemented without the expressed approval of SAF/AQC. Definitions of terms are located at **Attachment 1**. Records Disposition. Ensure that all records created as a result of processes prescribed by this publication IAW AFMAN 37-139, *Records Disposition Schedule*."

(**AFMC**) This supplement implements AFPD 63-1, *The Acquisition System*.

SUMMARY OF REVISIONS

This is the initial publication of Air Force Instruction 63-124. It replaces AFM 64-108 "Service Contracts" and AFI 63-504, "Quality Assurance Evaluator Program."

(AFMC) Revisions establish PBSC requirements for Advisory and Assistance Services (A&AS) and Other Professional and Technical Services contracts.

AFI 63-124, 1 April 1999, is supplemented as follows:

This supplement applies to A&AS and Other Professional and Technical Services contracts. Surveillance requirements apply when the place of performance for the effort is at the center or laboratory where the contract is awarded or other government installation.

1. PERFORMANCE-BASED SERVICE CONTRACTS (PBSC)

1.1. Overview . Performance-Based Service Contracting (PBSC) is structuring the acquisition around "what" is required as opposed to "how" the contractor should do the work.

1.2. Key Management Duties.

1.2.1. HQ USAF:

- 1.2.1.1. Is responsible for the overall health of the Air Force Services Contracting program. The health may be determined through various methodologies. Current tools in use are obtainable from the SAF/AQC Contracting Toolkit.
- 1.2.1.2. SAF/AQC maintains/updates this instruction and the guidance in the Contracting Toolkit.
- 1.2.1.3. Functional, Contracting and Legal staffs determine when contract services should be centralized under regional and nationwide contracts and shall provide the resources needed to execute and manage the contracts.

1.2.2. MAJCOMs/DRUs/FOAs/Installations:

- 1.2.2.1. Are responsible for the overall health of MAJCOM Services Contracting program.
- 1.2.2.2. MAJCOM Directors/Chiefs of Contracting are the business advisors to the MAJCOM Commanders and, when appropriate, shall update the MAJCOM Commander yearly on the health of the command's service contract program. They should address pertinent topics such as strategic sourcing recommendations, multiple base contract support, performance management issues, etc.

1.2.3. Installation Commanders:

1.2.3. (**AFMC**) Center/AFRL Commanders:

- 1.2.3.1. Provide the resources necessary for one or more multifunctional teams (e.g., Business Requirements and Advisory Group [BRAG]) to carry out their duties in planning and managing service contract outcomes.
- 1.2.3.2. Establish and maintain the installation services quality assurance program. Commanders determine the appropriate structure and resource allocation for quality assurance requirements.
- 1.2.3.3. Chair the Installation's Performance Management Council (PMC), when applicable.

- 1.2.4. PMC is established when one or more base support contract/contracts span multiple groups and tenant organizations. PMC meetings may be held in conjunction with other installation meetings (for example, the Facilities Management Board or Financial Working Group) to provide synergy in addressing installation issues. The council's duties include:
 - 1.2.4.1. Assessing effectiveness of contractor operations in all functional areas,
 - 1.2.4.2. Addressing budgetary issues,
 - 1.2.4.3. Verifying effectiveness of Government contract management, and
 - 1.2.4.4. Approving agendas for formal Government/contractor partnering programs.
- 1.2.5. BRAG is a customer-focused multifunctional team instituted under the authority of the installation commander. The contracting squadron commander establishes BRAGs to plan and manage service contracts throughout the life of the requirement. A BRAG is required for every requirement operating under this AFI. The requirement may be for a single function or may include multiple functions (See Figure 1). The number of BRAGs is dependent on an installation's requirements and business approach. For example, BRAGs can be formed to support major customers (LG, SG, etc.,) and their requirements or they can be formed for each procurement regardless of the major customer. Members of BRAGs will, as a minimum, support the following:
- **1.2.5.** (**AFMC**) The Senior Center Contracting Official (SCCO) ensures that Business Requirements and Advisory Groups (BRAG) are established. BRAGs are essentially joint functional teams that support accomplishment of many tasks listed in the Air Force instruction. The BRAG is intended to be a flexible group whose size and organizational structure may be unique for specific contracts and centers or AFRL. BRAGs are encouraged to use resources available through their local Acquisition Support Teams (AST).
 - 1.2.5.1. Business/acquisition strategy development to provide innovative solutions that promote best value business decisions on performance-based service contracts to meet customer requirements. (NOTE: the BRAG does not replace the Acquisition Strategy Panel in accordance with FAR Part 7),
 - 1.2.5.2. Acquisition planning for new and follow-on contracts, to include,
 - 1.2.5.2.1. Encouraging the use of incentives (including non-monetary incentives) and considing implementing partnering
 - 1.2.5.2.2. The exchange of information with industry and other business experts.
 - 1.2.5.3. Market research,
 - **1.2.5.3.** (**AFMC**) Also support query activities and completion of Determination/Decision Documents (DDD) for A&AS requirements.
 - 1.2.5.4. Requirements and solicitations development to include the appropriate evaluation criteria.
 - 1.2.5.5. Source selection,
 - 1.2.5.6. Contract performance management. For example,
 - 1.2.5.6.1. Analyze contractor metrics and contract submittals
 - 1.2.5.6.2. Evaluate performance for payment (to include award fee)

- 1.2.5.7. Brief the Contracting Squadron Commander as determined by the Contracting Squadron Commander,
- **1.2.5.7.** (**AFMC**) Brief the SCCO as required.
- 1.2.5.8. Update the Installation Performance Management Council as required, and
- 1.2.5.9. Collection of Past Performance Information (PPI).
- 1.2.6. Contracting Squadron Commanders and Chiefs of Air Force Contracting Offices:

1.2.6. (**AFMC**) SCCOs:

- 1.2.6.1. Perform duties as the Installation Business Advisor to include updating the Installation Commander twice a year on the health of the installation's contract services program. Subjects to brief may include the effectiveness of the quality assurance program, contract cost changes, acquisition planning, strategic sourcing issues, centralized BRAGS (contracts awarded by other activities), effectiveness of the BRAGs and business objectives. The briefing does not need to address contracts with award fees where the commander is the award fee approving official or contracts covered in Performance Management Council meetings.
- **1.2.6.1.** (**AFMC**) Perform duties as the Center or Laboratory Business Advisor to include updating the Center or Laboratory Commander on the health of the Center or Laboratory A&AS and Other Professional and Technical Services contract program.
- 1.2.6.2. Form BRAGs with the needed set of skills, foster the environment needed for them to successfully operate, convey business objectives, monitor progress, and correct/elevate delays or problems not resolvable within the BRAG.
- 1.2.6.3. Assign a full-time quality assurance program coordinator (QAPC) for service contracts and execute a training program for quality assurance (QA) personnel on contract responsibilities.
- 1.2.6.4. Facilitate the use and contribution to the SAF/AQC Contracting Toolkit Part 37 (http://www.safaq.hq.af.mil/contracting/).
- 1.2.7. Functional Director or Functional Commander:
 - 1.2.7.1. Assign competent and capable functional experts to the BRAG who will be available full time or as warranted by the procurement cycle. Functional experts assigned to BRAGs shall:
 - 1.2.7.1.1. Maintain functional knowledge,
 - 1.2.7.1.2. Have priority for continuing education, and
 - 1.2.7.1.3. Provide functional continuity and stability.
 - 1.2.7.2. Develop and deliver a requirements package, in order to ensure timely award of the contract.
 - 1.2.7.3. Assign primary and alternate QA personnel unless another QA organization or method is used to satisfy surveillance requirements (e.g., centralized performance management office). QA duties take precedence over all other duties. QA personnel must be appointed and trained prior to assuming QA responsibility. This written appointment must be forwarded to the contracting officer (CO).

1.2.7.4. Prepare and coordinate exemptions (see **Attachment 2**) to this AFI.

1.2.8. QA Personnel:

- 1.2.8.1. Evaluate and document contractor's performance in accordance with the Quality Assurance Surveillance Plan,
- 1.2.8.2. Notify the Contracting Officer of any significant performance deficiencies,
- 1.2.8.3. Maintain surveillance documentation,
- 1.2.8.4. Recommend improvements to the Quality Assurance Surveillance Plan and Statement of Work throughout the life of the contract.

1.2.9. Contracting Officer:

- 1.2.9.1. Delegates authority for inspection and/or acceptance in accordance with terms of the contract,
- 1.2.9.2. Informs the contractor of the names, duties, and limitations of authority for all quality assurance personnel assigned to the contract.
- 1.2.10. Quality Assurance Program Coordinator:
 - 1.2.10.1. The QAPC is a coordinator for the Functional Directors or Functional Commanders, and trains Quality Assurance personnel,
 - 1.2.10.2. Provides Functional Directors or Functional Commanders training.

CONS/CC Installation Commander Installation Business Advisor **BRAG** (The team contains the needed resources with the authority and responsibility to effect the procurement from it's inception through the follow-on contracts) **Functional** Example One: Food Services BRAG may contain Director or Industry some or all of the following members: contracting Commander officer or senior administrator, legal, services, civil engineering (grounds maintenance issues), security forces (security issues), finance, quality assurance Example Two: Base Operating Support BRAG may contain some or all the following members: contracting. legal, services, civil engineering, transportation. security, finance, manpower etc... Centralized BRAG Works with local functional personnel for MAJCOM/regional requirements such as flight simulator services. Provides the local CONS/CC with an announcement the contract is being decentralized to the base. The local contracting squadron provides support needed to the extent they are able. Note: The arrows do not represent the chain of command but rather they show the open lines of communication to address procurement issues associated with developing the business/acquisition strategy, conducting the acquisition, and managing contract performance.

Figure 1. Sample Business Requirements and Advisory Group Structure

2. Statements of Work.

2.1. Developing Statements of Work: Use methods to develop SOWs that are open, flexible and geared to commercial practices.

2.1.1. Services SOWs must:

2.1.1.1. Comply to the maximum extent practicable with the terms and conditions of the commercial marketplace as identified through market research,

- 2.1.1.2. Describe all work in terms of "what" the required service output is rather than "how" the work is to be performed or the number of hours to be provided, except when deemed essential by functional activity for safety and/or security reasons,
- 2.1.1.3. Include measurable performance objectives and financial or other incentives to encourage contractors to develop and institute innovative and cost effective methods of performing the work. For any method used to develop a SOW, the performance threshold is either developed or approved by the government and shall conform to commercial or industry-wide standards to the maximum extent practicable.
- 2.1.1.4. Include historic and projected work load data (to include surge and other requirements).
- 2.1.1.5. Cite reference instructions, publications etc., by specific paragraph or chapter rather than the entire publication.
- 2.1.2. Use the experience and lessons learned from previous contracts to develop the SOW.
- 2.1.3. All personal and non-personal professional medical SOWs must be reviewed and approved by HQ AFMSA/SGSLC.
- **2.2. SOW Format:** Sample provision language is found in the SAF/AQC Contracting Toolkit, Part 37 (http://www.safaq.hq.af.mil/contracting/). The sample language may be used as appropriate (as is or tailored) except those portions that are mandatory. Mandatory provisions are found at Attachment 3. All service contracts will use the following format:
 - 2.2.1. Description of Services,
 - 2.2.2. Service Delivery Summary (See paragraph 3.1.),
 - 2.2.3. Government-Furnished Property and Services,
 - 2.2.4. General Information, and
 - 2.2.5. One or more Appendices.

3. Performance Measurement.

- 3.1. Every SOW shall have a Service Delivery Summary (SDS) citing the:
 - 3.1.1. Performance objective (service required)
 - 3.1.2. Performance threshold (specific standard) required. The performance threshold should:
 - 3.1.2.1. Align contractor performance with your business objectives,
 - 3.1.2.2. Focus on critical success factors in meeting performance objectives,
 - 3.1.2.3. Reflect performance goals based on benchmarking studies,
 - 3.1.2.4. Promote continuous improvement in performance and cost, and
 - 3.1.2.5. Use commercial standards where appropriate.
- 3.2. The BRAG will develop a Quality Assurance Surveillance Plan (QASP) that cites:
 - 3.2.1. The same performance objectives as is in the SDS,
 - 3.2.2. The performance threshold identified in the SDS, and

- 3.2.3. Method of surveillance.
- 3.3. The QASP may be made part of the solicitation but shall not be part of the resulting contract. This provides contractors with information on Air Force requirements, the level of performance expectations and how the Air Force will confirm the services are provided. Methods of surveillance can change after contract award based on acceptance of a contractor QC plan or a partnering agreement which establishes the metrics to be used or is based on improved contractor performance.
- 3.4. When metrics are used as a method of surveillance through the partnering process, they may be developed after contract award, but prior to the contract start date. The SDS will only contain those items considered most important for mission accomplishment.
- **4. Quality Assurance.** An inspection of services clause is required for every service contract. You should adopt the quality control and quality assurance practices used in the commercial marketplace to the maximum extent practicable. Even when absent in the commercial marketplace, some form of surveillance is required for acceptance of services.
 - 4.1. Considerations in implementing a quality management system include:
 - 4.1.1. Providing adequate contract planning to meet quality assurance manning and training requirements.
 - 4.1.2. Tailoring the system to management risks and costs associated with the requirement.
 - 4.1.3. Recommending source selection criteria (which may include quality control criteria and past performance) that promise the most potential to reduce Government oversight and ensure the government is only receiving and paying for the services required.
 - 4.1.4. Following AFI 63-501, Air Force Acquisition Quality Program, when FAR 46.202-4, Higher-level contract quality requirements, is applicable.
 - 4.1.5. Relying on customer complaints where contract nonconformance can be validated. Regardless of the surveillance method used, allow variation in the extent of oversight to match changes in the quality of the contractor's performance. Surveillance methods may include: trend analysis, periodic inspections, contractor metrics, random sampling, customer complaint, third party audits, 100% surveillance, quality index, etc. Re-performance of unacceptable services at no additional cost is the preferred course of action when appropriate.
 - 4.1.6. Allowing the contractor to perform surveillance of services as part of their quality assurance system. When appropriate, the contractor must include written documentation of inspections. For customer complaints, this may include the use of fax or e-mail. In all cases some form of oversight (government QA, third party audit) is needed to confirm surveillance results.
 - 4.1.7. Developing a Government QASP that specifies how inspection and acceptance of services is to occur. This plan, tailored to the individual requirement, is put in writing for each contract. The complexity of the plan should match the characteristics of the services. For example, a plan for a simple commercial service is generally less complex than one for a base operating support contract. Use documentation to capture past performance information.
 - **4.1.7.** (AFMC) The Chief of the Contracting Office (COCO) on a case-by-case basis may approve use of an award fee plan in lieu of a Quality Assurance Surveillance Plan (QASP). The

award fee plan must provide for comparable surveillance of services. Develop a limited QASP to cover particular areas not suitable for inclusion in the award fee plan.

- 4.2. Quality Assurance Personnel and Training.
 - 4.2.1. Personnel. The civilian/military mixture and number of Quality Assurance personnel needed are dependent upon the technical expertise required, the risk associated with unacceptable performance, number of contracts and the size of the contracts. Quality assurance duties should be assigned to civilian personnel when at all possible to avoid interruption of QA duties caused by exercises, contingencies, etc.
 - 4.2.2. Training. Quality assurance personnel shall receive both Phase 1 and Phase 2 training prior to assuming QA responsibilities. Functional Directors or Functional Commanders shall receive training prior to commencement of duties.
 - 4.2.2.1. QAPC Training is conducted by AETC. The QAPC must complete this training prior to conducting Phase 1 training.
 - 4.2.2.2. Phase 1 Training is developed by AETC instructors and conducted by QAPCs using AETC approved training materials.
 - 4.2.2.3. Phase 2 is performed by the contract administrator for each contract monitored. The training should include review and discussion of at least the following:
 - 4.2.2.3.1. A detailed discussion of the contract and SOW,
 - 4.2.2.3.2. An awareness of areas in the contract susceptible to fraud, waste and abuse as well as the high technical risk areas,
 - 4.2.2.3.3. How to properly certify acceptance of services,
 - 4.2.2.3.4. Maintenance of and submission of all QA documentation and past performance information, and
 - 4.2.2.3.5. Key management duties and membership of the BRAG.

DARLEEN A. DRUYUN
Principal Deputy Assistant Secretary of the Air Force
(Acquisition Management)

GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION

References

Federal Acquisition Regulation (FAR) Part 37.6, Performance Based Contracting

Federal Acquisition Regulation (FAR) Part 46.202-4, Higher-Level Contract

Quality Requirements

Department of Defense Instruction (DoDI) 3020.37, "Continuation of Essential DoD Contractor Services During Crises" 6 November 1990

AFPD 64-1, The Contracting System

AFMAN 37-139, Records Disposition Schedule

AFI 63-501, Air Force Acquisition Quality Program

Abbreviations and Acronyms

AETC—Air Education and Training Command

BRAG—Business Requirements Advisory Group

CO—Contracting Officer

DoD—Department of Defense

DoDI—Department of Defense Instruction

FAR—Federal Acquisition Regulation

FOA—Forward Operating Agency

HQ USAF—Headquarters United States Air Force

MAJCOM—Major Command

PBSC—Performance Based Service Contracting

PMC—Performance Management Council

PPI—Past Performance Information

SAF/AQC—Deputy Assistant Secretary for Contracting

SDS—Service Delivery Summary

SOW—Statement of Work

QA—Quality Assurance

QASP—Quality Assurance Surveillance Plan

QAPC—Quality Assurance Program Coordinator

Terms

Business Requirements and Advisory Group (BRAG)—A business solution team that consists of cross functional personnel that plan and manage service contract outcomes to the satisfaction of its customers.

Benchmark—A measurement or standard that serves as a point of reference by which process performance is measured.

Benchmarking—A structured approach for identifying the best practices from industry and government, and comparing and adopting them to the organization's operations. Such an approach is aimed at identifying more efficient and effective processes for achieving intended results and suggesting ambitious goals for program output, service quality and process improvement.

Best Practices—The processes, practices and systems identified in public and private organizations that performed exceptionally well and are widely recognized as improving an organization's performance and efficiency in specific areas. Successfully identifying and applying best practices can reduce business expenses and improve organizational efficiency

Centralized Performance Management Office —For the purposes of this instruction, it is a centralized quality assurance office. The office handles all service contract quality assurance issues for the installation whether it is for a large base operating support requirement or a single function. The office has performance management responsibilities. Members conduct inspections as required, receive customer complaints whether by phone, fax or e-mail and review contractor-developed metrics. The office remedies unacceptable services by contacting the contractor to resolve the complaint and performs follow-up. The office may also review contractor-supplied metrics for input into the BRAG. Benefits of a full-time performance management center include, manpower efficiencies in managing performance over multiple contracts to include reviewing metrics, proficiency in many monitoring techniques, improved and consistent documentation, quality assurance personnel are no longer pulled away to perform other duties (whether through exercises or functional demands), the installation develops an experienced team for managing contractor performance and BRAG input, effective on-the job training is provided to the work force by a knowledgeable, interested supervisor, and a consistent face to industry.

Directors of Contracting—Also means the Chief of Contracting Divisions

Functional Director or Functional Commander—The person responsible for a functional area. For example, the Transportation Commander is the Functional Commander for the Transportation Statement of Work.

Partnering—Is the creation of a government-contractor relationship that promotes achievement of mutually beneficial goals. It involves an agreement in principle to share the risks involved in completing the project and to establish and promote a nurturing partnership environment. Partnering is not a contractual agreement, however, nor does it create any legally enforceable rights or duties. Rather, partnering seeks to create a new cooperative attitude in completing government contracts. To create this attitude, each party must seek to understand the goals, objectives and needs of the other--their "win" situation--and seek ways that these objectives can overlap.

Quality Assurance Program Coordinator—Base-level individual, normally from the contracting activity, selected to coordinate the Quality Assurance program. Depending on the installation service contract work load, the Air Force standard is for this to be a full-time funded position.

Statement of Work—Means a performance-based description of the services required by a functional

activity. A services SOW may also be termed a Performance Work Statement (PWS), Statement of Need (SON), Statement of Objectives (SOO), Technical Requirements Document (TRD) or work statement.

Strategic Sourcing—A business approach that ties commercial business activity to the installation business goals. It includes methods in combining functional activities to get economics of scale and scope, manage risks, and induce continuous improvement.

Attachment 1, Terms (AFMC-Added)

Directors of Contracting--For AFMC means HQ AFMC/PK. This is a MAJCOM level position and therefore does not for AFMC mean SCCOs or Chief of Contracting Divisions.

Functional Director or Functional Commander--For A&AS and Other Professional and Technical Services, the Functional Director or Functional Commander would be the government position, such as the program manager, technical director, test facility manager, or equivalent, responsible for the functional area in which the services are provided.

- (Added) Quality Assurance (QA) Personnel--Includes Functional Area Evaluators (FAE).
- (Added) Advisory and Assistance Services--A&AS is as defined in FAR 37.201, Definitions.
- (Added) Chief of the Contracting Office--The COCO is as defined in AFMCFARS 5302.101, Definitions.

(Added) Senior Center Contracting Official--The SCCO is as defined in AFFARS 5302.101, Definitions.

EXCEPTION

- **A2.1.** The requirements of this instruction apply to professional medical non-personal service contracts. However, HQ AFMSA/SGSLC will review and approve all personal and non-personal professional medical statements of work.
- **A2.2.** The requirements of this manual do not apply to the following types of agreements/contracts:
 - A2.2.1. Cable television subscription contracts,
 - A2.2.2. Utility and Energy service contracts to include Energy Savings Program Contracts (ESPC) and Demand Side Management (DSM) projects,
 - A2.2.3. Architect-Engineering service contracts (to include environmental contracts),
 - A2.2.4. Education service agreements with established schools, colleges, universities, or other educational institutions for educational services using the institution's facilities, standard courses, and prevailing tuition and fees applicable to the general public,
 - A2.2.5. Contracts solely for equipment leases,
 - A2.2.6. Short duration services which are incidental to supply purchases (e.g., training),
 - A2.2.7. Personal service contracts,
 - A2.2.8. Contracts written exclusively for other agencies. However, you must follow this instruction to the maximum extent practicable,
 - A2.2.9. Recurring service contracts when they are not commercial based and
 - A2.2.9.1. The requirement is not estimated to exceed \$250,000 annually, does not have a standardized SOW, and the Functional Director and Contracting Squadron Commander have determined, in writing, the specific requirements of this instruction and Federal Acquisition Regulation 37.6 cannot be met.
 - A2.2.9.2. The requirement is estimated to exceed \$250,000 annually, does not have a standardized SOW, and the MAJCOM Functional Director and the MAJCOM Director of Contracting have determined, in writing, the specific requirements of this instruction and FAR 37.6 cannot be met.
 - A2.2.9.3. The requirement has a MAJCOM standardized SOW and the MAJCOM Functional Director and MAJCOM Director of Contracting have determined, in writing, the specific requirements of this instruction and FAR 37.6 cannot be met.
 - A2.2.9.4. The requirement has a HQ USAF standardized SOW and the USAF Functional Director and the Deputy Assistant Secretary (Contracting) have determined, in writing, the specific requirements of this instruction and FAR 37.6 cannot be met.
 - A2.2.10. Non-recurring service contracts when they are not commercial based and:

- A2.2.10.1. The requirement has a total estimated value of less than \$250,000 and the Functional Director and Contracting Squadron Commander have determined, in writing, the specific requirements of this instruction and FAR 37.6 cannot be met.
- A2.2.10.2. The requirement has a total estimated value of \$250,000 or more and the MAJCOM Functional Director and MAJCOM Director of Contracting have determined, in writing, the specific requirements of this instruction and FAR 37.6 cannot be met.

Attachment 2 (AFMC-Added)

- A2.2.9.1. The functional Director and SCCO would make the determination.
- A2.2.10.1. The Functional director and SCCO would make the determination.
- A2.3. The surveillance requirements of this instruction do not apply to the following types of contracts:
- A2.3.1. Service contracts that the Defense Contract Management Command (DCMC) is delegated responsibility for quality assurance or surveillance.

MANDATORY PROVISION

The following provisions must be addressed in all service contracts:

A 3.1. Performance of Services During Crisis Declared by the National Command Authority or Overseas Combatant Commander. Identify services determined to be essential for performance during crisis according to DoDI 3020.37. Specify hours of operation required and the procedures to notify the contractor. Provide specific performance requirements in the Statement of Work's "General Information" area.

SAMPLE SERVICE DELIVERY SUMMARY

Performance Objective	SOW para.	Performance Threshold
Prepare food IAW recipe cards	13.c.	95% of menu
		items/meal period
Comply with sanitation requirements of the food	9.d.(3), 13.b.,	100% of the time
code and state and local laws/regulations, which	15, & 16.a.(4)	
results in a satisfactory or better rating in Health		
Inspections.		
Satisfy facility manager and guests in reference	13.f.	90% of monthly
to timeliness of service and courteousness of		meal periods
employees		
Make available supplies and materials necessary	1, 12.c., 12.d.,	95% of monthly
to serve the guests	and 16.a.3	meal periods
Reconcile cashdrawer with POS reports and	7.c , 14	95% of deposits
ensure cash is turned in on-time		per month
(add to cashier services)		
Maintain the interior and exterior of the	16.	85% of the days in
facility in a clean and sanitary condition		the month
Provide cooks/food servers to ensure there is no	9.e.	100% of the time.
impact on food service operations during		·
contingency operations		
Repairs will be initiated/completed within the	19.f.	95% of the time
following time frames:	·	
Routine: 24 hours/96 hours		
Urgent: 12 hours/48 hours		
Emergency: 1 hour/24 hours		